this one. I will recuse myself and I will not allow myself to participate.

It seems like it is a very simple thing that could be done, and I do think it is important for us to continue to bring it up. Because the bottom line, Madam Speaker, is that this energy task force has played a very important part in energy legislation that was developed here. And the whole concept of the appearance of impropriety on behalf of both the Vice President and the Supreme Court is at stake.

So we are bringing this up tonight, myself and the gentleman from Washington, but we are going to have to come back here again and bring it up because this case will be heard in April and there is still the opportunity for Justice Scalia to heed the advice of the litigants, the Sierra Club and the other public advocates who have asked he recuse himself in this case.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Williams, one of his secretaries.

SOCIAL SECURITY

The SPEAKER pro tempore (Mrs. BLACKBURN). Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes.

Mr. SMITH of Michigan. Madam Speaker, I am going to give a short tutorial on Social Security tonight, and this is going to be somewhat bipartisan because I am going to criticize both parties a little bit for not acting on one of the most serious problems I think is facing our country, and that is unfunded liabilities. In other words, the kind of promises that Congress has made to make themselves more popular back home and yet not having any way to pay for it.

The estimated unfunded liabilities in today's dollars of the promises that we have made that we do not know where the money is coming from is estimated now at $53 trillion. In other words, we would have to come up with $53 trillion and put it in a savings account that is going to return at least inflation and the time value of money in order to pay for these kind of future benefits. Even at this time, when Republicans are talking about the diligence that we must have in reducing spending, and my guess is we are going to reduce spending even less than what the President has suggested, there still is the problem of dealing with Social Security.

I asked the pages a little earlier to listen up to my comments tonight on Social Security because our pages, who are 16- and 17-year-olds and in high school, are the generation at risk that are going to have to put up with our nonaction to solve this serious problem. And as long as the pages are listening, let me just say it is a tremendous service that they provide to America, giving up their time, getting up at 5:30 in the morning, eating quickly and doing all the work we put before them.

Okay, here goes the roughly 30, 35-minute tutorial on Social Security. First, I am going to start out with how we divide up government spending. If you look at this pie chart, we see that the expense for Social Security is the largest piece of this pie.

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Let me remind everyone that Social Security is a pay-as-you-go program where the taxes, FICA taxes that come out of your paycheck immediately, once it gets to the Department of Treasury, is either sent out in benefits to current retirees, or where there is a surplus it is spent for other government programs. Social Security even exceeds the 20 percent increase in cost of defense. Interest is 14 percent, but to continue to borrow this money and pretend that our problems today are so serious that it justifies taking money away from our kids and grandkids that cannot defend themselves I think is unconscionable.

Here is briefly how Social Security works. Benefits are highly progressive and based on earnings. Some people have said if the economy improves it will satisfy the problems that we are facing with Social Security. That is not true because as the economy improves and wages go up, that means future benefits, because they are directly related to the wages that you are making, future benefits are also going to go up. It might solve the problem in the short run, but in the long run it does not solve the problem.

The second is at retirement all of a worker's wages up to the tax ceiling are indexed to present value using wage inflation. In other words, if you made $20,000 a year 15 to 18 years ago, the wage inflation would credit you on the way your benefits are calculated up to what that $20,000 is worth today. In other words, it would be written down someplace around $40,000. The third blip, the best 35 years of earnings are averaged. So if you only work 20 years, 15 years go as a zero for your average earnings in terms of defining your benefits.

The annual benefit for those retiring in 2004 equals, and this is how it is progressive, it equals 90 percent of the earnings up to 7 percent. These are the benefits you are going to get or are getting. It equals 90 percent up to the first $73,440; 32 percent of the earnings between that figure $73,440 and $44,000; and 15 percent of the earnings above the $44,286. In other words, if you are a very low-income person, you can receive back on our average Social Security check 90 percent of what you averaged during the 35 years. If you are a very high income recipient, you are going to get 15 percent of the earnings up to the maximum of what is now $89,000. We have capped your earnings in terms of defining Social Security benefits up to $89,000, and that is geared to inflation in future earnings.

Early retirees receive adjusted benefits. If you retire at 62, they figure out how long you are going to live and reduce your benefits accordingly. However, if you decide to put off retirement, maybe until you are 70, then your retirement benefits are indexed to a higher calculation in your monthly payment. So if you are in good health, keep exercising and eat right, sometimes it is going to be to your advantage to put off receiving those Social Security benefits for a few years.

What a lot of people come to me and ask, what about all this cheating on SSI? These people are getting my Social Security benefits. That is not true. SSI comes out of the general fund. It does not come out of Social Security.

Well, Social Security started in 1934 with President Franklin Roosevelt. When President Roosevelt created the Social Security program over 6 decades ago, he wanted it to feature a private sector component to build retirement income. Social Security was supposed to be one leg of a three-legged stool to support retirees. It was supposed to go hand-in-hand with personal savings accounts.

Researching the archives, and if you have never looked at the archives and the history of this country, it is very interesting. Looking at the archives when Social Security was passed, the Senate actually said there should be personal retirement savings accounts owned by the individual worker. The House said no, let us have government take all of the money and the government can invest it. That way we can be sure no snake oil salesman comes in and tries to convince individuals to invest their money some place where it might be risky.

In conference committee the House won out, the government won, and from then on every time Social Security gets into a little trouble in terms of income, enough income coming in to pay benefits, it does one of three things: It increases taxes; it reduces benefits; or a combination of those two. Most often it is a combination of the two.

Social Security is, what I wrote on this chart, is a system stretched to its limit. There are 78 million baby boomers that begin retiring in 4 years in 2008. This is part of the problem. With a pay-as-you-go program with more and more retirees and a lower birth rate, you end up with fewer and fewer workers paying for the benefits of that increasing number of retirees. Social Security spending exceeds tax revenue in 2017. That is the current estimate. Later this month the Social Security Administration is going to come out with their new projections of how big a problem we have for Social Security.

Chairman Greenspan at a House Budget Committee hearing said a couple weeks ago that Congress has got to